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BEFORE THE ARIZONA CORPORATION COMMISSION

2003 JAN 16 P 12: 34

MARC SPITZER,
Chairman

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WILLIAM MUNDELL,
Commissioner

JIM IRVIN,
Commissioner

Arizona Corporation Commission

DOCKETED

JEFF HATCH-MILLER,
Commissioner

JAN 16 2003

MIKE GLEASON,
Commissioner

DOCKETED BY	
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In the Matter of the Joint Application of
Citizens Communications Company and
Unisource Energy Corporation for the
Approval of the Sale of Certain Electric
Utility and Gas Utility Assets in Arizona, the
Transfer of Certain Certificates of
Convenience and Necessity from Citizens
Communications Company to UniSource
Energy Corporation, the Approval of the
Financing for the Transactions and Other
Related Matters.

Docket Nos:
E-01933A-02-0914
E-01032C-02-0914
G-01032A-02-0914

**JOINT APPLICANTS'
PROPOSED SCHEDULE**

UniSource Energy Corporation , on behalf of itself, Tucson Electric Power
Company ("TEP") and UniSource's designated affiliates (collectively "UniSource"), and
Citizens Communications Company ("Citizens") respectfully submit this proposed
procedural schedule for consideration by the Administrative Law Judge at the January 17,
2003 Procedural Hearing. As set forth in the Joint Applicants' transfer application, the
purchase price for this transaction is reduced by \$10 million if the asset purchase
transaction closes by July 28, 2003. UniSource will share these savings with its

1 customers. For the transaction to close, the currently pending Citizens' PPFAC case
2 (Docket No. E-01032C-00-0751) and Gas Rate case (Docket No. G-01032A-02-0598) also
3 must be resolved. Since a settlement is the most efficient and effective way to process
4 these cases, Joint Applicants propose the following schedule for the transfer, PPFAC and
5 Gas Rate cases:
6

7 January 31, 2003 – Joint Applicants file proposed settlement agreement;
8

9 April 1, 2003 – A final settlement agreement will be filed along with all
10 intervenor testimony and comments and the Staff Report;
11

12 April 15, 2003 – Evidentiary hearing on the settlement agreement;
13

14 May 1, 2003 – Simultaneous closing briefs due;
15

16 June 2, 2003 – Recommended Order and Opinion released by the Hearing
17 Division;
18

19 June 16, 2003 – Special Open Meeting.
20

21 In considering this proposed schedule, Joint Applicants ask the Administrative Law
22 Judge to consider the following:
23

24 1. The proposed testimony filing date is not much different than the Gas Rate
25 case procedural schedule in which Staff and intervenors' direct testimony was due on
26 April 14, 2003.

2. The PPFAC case was scheduled for hearing on December 9, 2002, and has
been in process for over two years.

1 3. The Joint Applicants' testimony filed on December 18, 2002, contains some,
2 but not extensive, modifications to the previously filed Citizens' PPFAC and Gas Rate
3 testimony.

4 4. Joint Applicants commit to meeting discovery deadlines and minimizing
5 discovery disputes.

6 5. In addition to formal discovery, Joint Applicants will meet with any of the
7 parties to provide information and analysis to help parties evaluate the proposed
8 settlement.
9

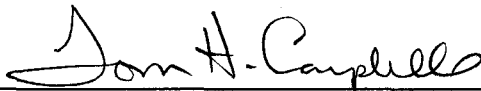
10 6. Formal settlement discussions were commenced on January 13, 2003, and a
11 follow-up meeting is scheduled for January 22, 2003.

12 7. The proposed schedule allows UniSource and its customers to share in a \$10
13 million savings.
14

15 Joint Applicants respectfully submit that it is in the best interest of the State for the
16 parties to make a good faith attempt to meet the proposed schedule outlined above and
17 respectfully request that this schedule be adopted at the January 17, 2003 Procedural
18 Hearing.
19

20 Respectfully submitted this 16th day of January, 2003.
21

22 LEWIS AND ROCA LLP

23 By 

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1 ORIGINAL AND thirteen (13) copies
2 of the foregoing hand-delivered
3 this 16th day of January, 2003, to:

4 Arizona Corporation Commission
5 Utilities Division – Docket C+ontrol
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8 COPY of the foregoing hand-delivered
9 this 16th day of January, 2003,
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